



Legal Structures

Comparing WLL, BSC, branch office, and sole proprietorship legal structures in Bahrain. Requirements, advantages, and tax implications for each entity type.

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LEGAL STRUCTURES

Choose the right entity type for your Bahrain business.

ENTITY TYPES AT A GLANCE

FEATURE	WLL	BSC (CLOSED)	BRANCH	SOLE PROP.
Foreign ownership	100%	100%	100%	GCC only
Min. capital	BD 20,000	BD 250,000	None	None
Min. shareholders	2	2	N/A	1
Limited liability	✓	✓	✓	✓
Audit required	Yes	Yes	Yes	No
Setup time	2-4 weeks	4-8 weeks	2-3 weeks	1-2 weeks
Best for	SMEs, JVs	Larger groups	Foreign cos.	Individuals

ENTITY DEEP DIVE

?? WLL — WITH LIMITED LIABILITY

The most popular choice for SMEs and joint ventures. 100% foreign ownership allowed. Shareholders' liability is limited to their capital contribution. Ideal for most businesses operating in Bahrain.

BSC (CLOSED)

Bahraini Shareholding Company suited for larger operations. Higher capital requirement but allows up to 200 shareholders. Required for certain regulated activities like banking and insurance.

BRANCH OFFICE

Extension of a foreign parent company. No separate legal entity — parent bears full liability. Simpler setup but parent company tax position may create PE risks in home jurisdiction.

SOLE PROPRIETORSHIP

Simplest structure for GCC nationals. No minimum capital, no audit requirement. Owner has unlimited personal liability. Cannot be used by non-GCC individuals.

WHICH STRUCTURE IS RIGHT?

We help you choose and set up the optimal legal structure for your business.

Bahrain's trusted tax advisory partner.

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